

THE ROLE OF PERSONAL COMPETENCE ON PERFORMANCE OF EMPLOYEES WORKING IN IT/ITES SECTOR IN CHENNAI CITY

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ABSTRACT

This present research is aimed to explore the role of the personal competence of the employee on the employee performance of IT/ITES employees in Chennai city. The researcher has adopted the questionnaire method to collect perception with respect to employee competence and employee performance. The result reveals that personal competence and employee performance have significant association with each other and further structural equation modeling indicates that employee competence have significant and positive influence on employee performance of IT/ITES employees in Chennai city. Further, researchers concluded that competencies are inevitable for establishing organizational success, increasing personnel contribution and performance, measuring job responsibilities and organizational citizenship behavior, such as communication, teamwork and collaboration.

KEYWORDS: Employee Performance, Employee Competence, IT/ITES & Organizational Commitment

Received: Oct 21, 2019; **Accepted:** Nov 11, 2019; **Published:** Jan 21, 2020; **Paper Id.:** IJHRMFEB20203

INTRODUCTION

Today's competitive environment signifies the importance of personal competence on performance of employees across different types of industries. The personal competence is very imperative for every individual to survive in the highly competitive environment. Competence generally focuses on the skills and nature of employee to perform in an efficient way. Performance wise many individuals are influenced by many factors, such as commitment, engagement and competence of the employee. The major role of human resource department is to enhance the performance of the employees in a given environment. Every organization has different set of problems in their day-to-day practices to achieve the common goals and objectives of the organization.

Personal competence of the employee plays a very important role in job description and job analysis for the appointment of right person for the right job. The selection procedures in modern scientific methods are very effective and efficient with the help of technological adoption and growth over a period of time. Competency is described as the nature or extent of being efficient. It is also described as the capacity or expertise to do something outstanding. Personal competence explicitly focuses on the attainment of sustainable performance in the job, rather than on the capability to perform properly. Competency is the capacity of a person that leads to behavior and meets the job demands within the parameters of the organizational environment, which brings better results. Competence can be an action, behavior or the outcome that the person should be able to illustrate.

REVIEW OF LITERATURE

Zaim, H. et al., (2013) have studied the influence of an individual employee's competence on the performance of the employee. The researchers have conducted a survey for the purpose of exploring the individual's perception. The data collected were subjected to multiple regression analysis to explore the influence of employee competence on employee performance. The result indicates that there is a positive and significant relationship between employee competence and individual performance. The researchers concluded that core competencies are the needs to be developed among the employees to have better performances in their day-to-day practices.

Martini et al., (2018) made an attempt to explore the mediating role of an organizational commitment for the influence of employee competence on employee performance of Information Technology employees. The researchers have adopted exploratory and empirical research design for the purpose of collecting the primary information from the respondents. The results indicate that there is significant moderate relationship between the employee competency and employee performance.

Rantesalu et al., (2016) conducted an exploratory study for the purpose to examine the effect of employee competence, motivation and organizational culture on employee performance and organizational commitment. The survey method was adopted to gather the primary information from the employees of information technology and information technology-enabled services sector. The result proves that employee competence, organizational culture and work motivation are the significant influencers of organizational commitment and employee performance. The researchers concluded that organizational culture and motivational methods should have focus on the employee centric approach for the purpose of effective adoption and implementation at the organizational level.

Rebecca Abraham (2004) conducted a hypothetical study to examine the role of psychological safety and meaningfulness of their job for the enhancement in the superior performance. The theoretical support and direction proves that management support, employee expectations, information sharing, cordial relationship between the work and organizational goals are major influencers of job involvement and superior performance in their job.

Le Tranc Thach Thao and Chiou-shu J. Hwang (2015) studied the influence of motivation on enrichment of employee performance in BPO companies. The researcher has adopted different types of motivation, namely, monetary motivation and non-monetary motivation on employee performance. The result indicates that both the monetary as well as non-monetary motivation have significant and positive influence on employee performance.

Muhammad Waqas Chughtai and Khadeejah Lateef (2015) examined the relationship between the employee's relationship and performance. The empirical research design proves that employee relationship has a significant and positive impact on the employee performance. Therefore, the researchers suggested to maintain the good relationship in the organization between the employer and employee, and among the employees to have better performance in their organization.

OBJECTIVES OF THE STUDY

- To explore the simultaneous influence of employee competence on employee performance of IT/ITES employees of Chennai city.

- To test the association between the employee competence perception on employee performance perception of IT/ITES employees of Chennai city.

Hypothesis

- **H₀₁:** There is no association between level of personal competencies and level of employee performance.
- **H₀₂:** The Hypothesized model has a good fit.

RESEARCH METHODOLOGY

Sampling Techniques	Convenience Sampling method
Sample Units	Employees working in various IT/ITES companies in Chennai were approached for collecting data.
Sample Size	100
Statistical Techniques used	Chi-square test Structural Equation Modelling

Limitations of the Study

- Due to time constraint the limited number of samples on collected from the respondents.
- Due to cost constraint the sample size was only restricted to 100.
- The respondent's perception may be changed due to the change in the socio-economic conditions.

RESULTS AND DISCUSSIONS

The primary data collected from the IT/ITES employees of Chennai city has been subjected to analysis using SPSS and AMOS version 23.0. The statistical tools, such as chi-square test and structural equation model has been applied to draw the meaningful findings of the study.

Test of Association between Employee Competence and Employee Performance

Chi-Square test has been applied to test the association between the employee competence and employee performance of IT/ITES employees in Chennai city. The results are presented and tabulated in Table 1.

Table 1
Chi-square test for association between level of Personal Competence and level of Employee Performance

Level of Personal Competence	Level of Employee Performance			Total	Chi-square value	P value
	Low	Moderate	High			
Low	17 (68.0) [65.4]	7 (28.0) [14.9]	1 (4.0) [3.7]	25 (100.0) [25.0]	42.754	<0.001**
Moderate	9 (18.4) [34.6]	29 (59.2) [61.7]	11 (22.4) [40.7]	49 (100.0) [49.0]		
High	0 (0.0) [0.0]	11 (42.3) [23.4]	15 (57.7) [55.6]	26 (100.0) [26.0]		
Total	26 (26.0) [100.0]	47 (47.0) [100.0]	27 (27.0) [100.0]	100 (100.0) [100.0]		

Note: 1. The value within () refers to Row Percentage
2. The value within [] refers to Column Percentage
3. ** denotes significant at 1% level

Inference

Table 1 indicates that association between the employee performance and employee competence are significant at 1% level of significance. The chi-square result proves that lower level of employee performance is closely associated with lower level of personal competence. The moderate level of employee competence is associated with moderate level of employee performance and higher level of employee competence is associated with higher level employee performance.

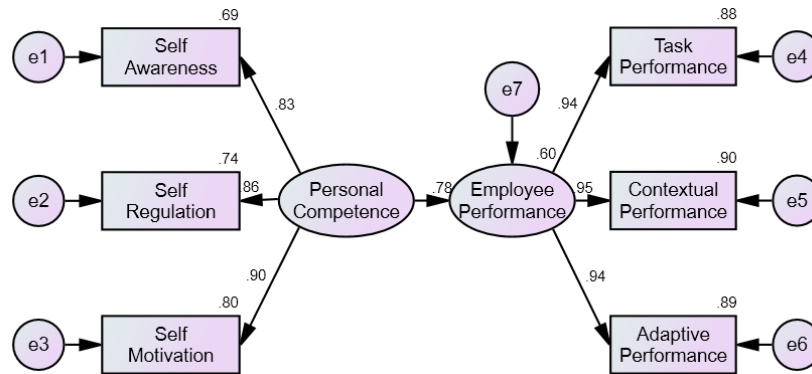


Figure 1: Structural Equation Model (SEM) based on Personal Competence and Employee Performance.

Table 2
Model fit summary of Structural Equation Model

Indices	Value	Suggested value
Chi-square value	11.507	-
DF	8	-
Chi-square value/DF	1.438	< 5.00 (Hair et al., 1998)
P value	0.175	> 0.05
GFI	0.967	> 0.90 (Hu and Bentler, 1999)
AGFI	0.931	> 0.90 (Hair et al. 2006)
NFI	0.981	> 0.90 (Hu and Bentler, 1999)
CFI	0.994	> 0.90 (Daire et al., 2008)
RMR	0.050	< 0.08 (Hair et al. 2006)
RMSEA	0.067	< 0.08 (Hair et al. 2006)

FINDINGS AND CONCLUSIONS

Findings

- Test of association between the employee performance and employee competence are significant at 1% level of significance. The chi-Square result proves that lower level of employee performance is closely associated with lower level of personal competence. The moderate level of employee competence is associated with moderate level of employee performance and higher level employee competence is associated with higher level employee performance.
- The structural equation model indicates that there is simultaneous and significant influence of employee competence and employee performance of IT/ITES employees in the study area.

CONCLUSIONS

Personal competencies are quantifiable pattern of expertise, proficiency, potential, behaviors and other characteristics required to execute and fulfil one's obligation and responsibilities. Competencies are inevitable for establishing organizational success, increasing personal contribution and performance, measuring job responsibilities and organizational citizenship behavior, such as communication, teamwork and collaboration.

The benefits of using personal competencies for managers in the workplace includes clarifying standards of performance, provide basis for conversation with employees about performance, development and career-related issues. The employees are benefitted by the way of setting a criterion to be successful in the job, identify specific areas for professional development and improvement of career goals.

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